November 30, 1982

Memo to File

RE: Hillside Complex
Phone call documentation and
summary of field inspection on
July 14, 1982
ACT/037/015
San Juan County, Utah

Tom Nielsen, the president of Minerals West, Inc. called this morning to elicit his companies responsibilities for reclamation at the Hillside Complex of mines. These mines include the Gizmo, Bears Ears, Hillside and Maybe. Orginally permitted to Energy Fuels Nuclear in 1979 it was transferred entirely to a partner company, Monticello Minerals and Mining, by agreement October 1, 1980. The original lease holders are Minerals West Inc. Because of default on payments by Monticello Minerals and Mining, the lien holder, Minerals West may resume full ownership of the mines. However, the reclamation bond for $24,792 was never transferred to anyone other than the principal, Energy Fuels and questions have developed over the parties responsible for site work.

In August of this year, the mines were inspected by Tom Tetting, Susan Linner and Sandy Pruitt. At that time a number of areas were found to require interim stabilization measures in lieu of reclamation. Due to the suspended status of the operations, the minesites were inspected in accordance with Rule M-7 of the Mined Land Reclamation Act which requires a two year review period for an operation. The following information was developed from the on-site visit and recommendations are given which would enable an additional suspension period of two (2) years to be continued.

Hillside Complex

1. Gismo Mine

The waste rock pile is becoming deeply eroded on its west side; erosion is excessive. Trash is piled in the incised gully. Stabilization of the pile may be accomplished by regrading the area with a D-4 cat. The gully may be flatened out and should be rip-rapped. The trash should be hauled to a landfill disposal area or dump

2. Bears Ears Mine

The site has some trash, e.g. vent pipes and a mine cart. The sidecast waste pile has been eroded with two gullies having developed. The area may be improved by establishing a more common channel for runoff to leave the road and pad. Water diversions (bars) might be used to limit runoff velocity. Rip-rapping of the channels could prevent further erosion.

3. Hillside Mine

The portal has been broken into and ought to be repaired. The sidecast waste rock pile has been overloaded, developing tension cracks. Gullies have been incised into the slopes.

The pad should be regraded, sloping the area towards the gully. The waste rock pile, which makes up the pad, ought to be rounded off to relieve the overloading. Ponding on the pad will then be eliminated which otherwise may be causing seepage into and instability of the pile.

4. Maybe Mine

Positive identification of this mine site was not made. A possible location was discovered because of tell tale waste rock slopes. However, no portal was found and regrading of this area was quite adequate and of a recent (1-2 years) nature. The site corresponded to a general location on the map. A new map should be submitted and the location positively identified.

5. Vallejo Mine

This site was not located. An updated location map should be requested from the operator.

Letters dated November 29, 1982 are being sent to Mr. Nielsen and George Glasier of Energy Fuels Nuclear to help speed along the unraveling of reclamation liabilities for these projects. Mr. Nielsen stated on the phone that he will be working "with the Division" and does not want any further legal problems to occur. He sited the recent Taylor Livestock case (Winecup Resources) as an example he would like to avoid.

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TNT/tck

cc: James W. Smith, DOGM
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